GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:648
ANSWERED ON:21.11.2001
EXPENDITURE REFORMS COMMISSION
DINESH CHANDRA YADAV;NAWAL KISHORE RAI;RAMJI LAL SUMAN

Will the Minister of SHIPPING be pleased to state:

(a) whether the Expenditure Reforms Commission has recommended for checking expenditure in his Ministry and its merger with Ministry of Road Transport and Highways;

(b) if so, the details of the recommendations and the estimated reduction in expenditure with the implementation of these recommendations;

(c) whether the Government have taken any decision so as to accept or reject any of these recommendations;

(d) if so, the details thereof; and

(e) the details of the commercial activities being carried out by the Government at present and estimated annual income therefrom during the each of the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD YESSO NAIK)

(a) Yes, Sir.

(b) Summary of recommendations is at Annexure. Reduction in expenditure after implementation of the recommendations has not been worked out.

(c)&(d) No, Sir.

(e) No commercial activities are carried out by the Ministry of Shipping directly. However, Public Sector Undertakings, namely Shipping Corporation of India, Cochin Shipyard Limited, Hindustan Shipyard Limited, Central Inland Water Transport Corporation Hooghly Dock and Port Engineers Limited, Dredging Corporation of India Limited and Ennore Port Limited; are engaged in providing shipping services, inland water transport, shipbuilding & ship-repairs, dredging and port activities. Out of them only Shipping Corporation of India and Dredging Corporation of India are providing dividends to the Government, the details of which are as under:-

(Rs. In Crores)

	1998-1999	1999-2000	2000-2001
1. Shipping Corporation of India	33.93	36.19	67.86
2. Dredging Corporation of India	9.24	14.00	14.00

ANNEXURE REFFERED TO IN REPLY TO PART (b) OF LOK SABHA UNSTARRED QUESTION NO.648 TO BE ANSWERI 21-11-2001 ASKED BY SHRI NAWAL KISHORE RAI, SHRI DINESH CHANDRA YADAV AND SHRI RAMJI LAL SI REGARDING EXPENDITURE REFORMS COMMISSION.

SUMMARY OF RECOMMENDATIONS

1. Introduction of VRS in all major ports and the decision to roll back the retirement age form 60 to 58, has helped reduce the staff strength by 16000 persons. However, the staff strength Indian ports is still very high and the schemes should be perused actively to bring down the strength to normative levels.

2. Government should consider setting up port companies to which all the commercial facilities like berths and cargo handling equipment could be leased out, with the Port Trust retaining only the ownership of the land and water fronts. These port companies should be privatised at the earliest, preferably through public offering.

3. The post of Development Advisor and the Development Wing in the Ministry could be abolished.

4. There is no rationale for retaining the Dredging Corporation of India (DCI) a public sector undertaking and it should be privatised.

5. The Minor Ports Survey Organisation which is functioning under the Ministry should be corporatised or made to operate on commercial lines or attached to the Office of the Chief Hydrographer to the GOI.

6. The Andaman and Lakshadweep Harbour works should either be handed over to the concerned UT government or merged with the Calcutta/Chennai Port Trust and Cochin Port Trust.

7. Licensing of ship acquisition should be abolished and the Government should leave it to DG, Shipping to ensure the safety and sea worthiness of a ship.

8. The Indian Institute of Maritime Studies which is proposed to be set up under the Societies Registration Act, to run the four institutes, namely, (I) Training Ship Chanakaya, (II) Marine Engineering and Research Institute, Mumbai, (III) Marine Engineering and Research Institute, Calcutta and (IV) LBS College of Advance Maritime Study and Research, Mumbai; should be given status of a deemed university or of an IIT and should become totally autonomous.

9. SCI is a candidate for disinvestment and the disinvestment should be completed.

10. Computerisation of the operations of Transchart would result in a reduction in the staff strength. This exercise should be carried out in six months.

11. Efforts should be made to secure a strategic partner for HSL, which is a loss making company and disinvest GOI holding.

12. There is no strategic or commercial rationale for continuing CSL in the public sector. The company should be privatised as soon as possible.

13. HDPE has valuable land in Calcutta and it should be sold as real estate.

14. The ship building and repair activity of CIWTC should be closed and the assets disposed of.

15. With the ship building and ship repairs carried out by professionally run shipyards, both in the public and private sector, and with ancillary development taking place in a liberalised economy, there is no case for the continuance of the SBR Wing. Development activities relating to ship building and ship repair should be best left to the yards themselves who have a much better awareness and understanding of the technology advances in the sector than the ministry.

16. NSDRC need not remain under the administrative control of the ministry.

17. The matter whether the establishment and operation of lighthouses and other navigational aids can be privatised with government or an independent, regulator ensuring standard and quality, should be examined.

18. A Maritime Authority should be set up to oversee and regulate conservancy functions in the major and minor ports and exercise all the functions of the DG, Shipping and also of the DG, Lighthouses. The Maritime Authority should have a member in charge of the ports, a member in charge of shipping, a member in charge of lighthouses and a member, finance and be headed by one of them with the rank of an additional secretary. Consequently, the tariff authority of major ports could be wound up and the maritime authority empowered to look into cartelisation/monopoly issues and arbitrary fixation of tariffs by ports/shipping lines where necessary. With the setting up of Maritime Authority, it should be sufficient for one J.S. level officer in the Ministry assisted by one or two Deputy Secretaries to look after port policy, international protocols and coastal shipping.

19. Government must accord the highest priority to the Inland Water Transport and formulate a National Waterways Development Programme on the lines of the NHDP and empower the IWAI by broadening its Board by including Secretary, Expenditure, Secretary, Planning etc. to take all investment decisions relating to an approved waterway in order to make it navigable.

20. With the corporatisation of ports the setting up of a Maritime Authority to exercise the statutory powers of DG, Shipping and to ensure conservancy in ports and manage light houses, with the disinvestments of Shipping Corporation of India, the shipyards and other PSUs in the Ministry and with the abolition of the Development and the SBR Wings in the ministry, the Ministry` s work would get reduced very considerably.

21. It should be sufficient for the ministry to have on JS with two Deputy Secretaries to look after all port related matters and one Joint Secretary with one Deputy Secretary to look after residual shipping matters and inland water transport. Transchart should continue although its staff strength should be reviewed. With the reduction in the workload of the Ministry of Shipping and the Ministry of Road Transport and Highways the possibility of combining the two ministries once again into a Ministry of Surface Transport should be considered so that an integrated approach can be brought to bear on all modes of surface transport, barring the railways.